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ABSTRACT

In 1955, in the largest single action in American philanthropic history, the Ford Foundation appropriated \$260 million to help raise the salaries of teachers in American colleges and universities under the College Grants Program. The program had 2 parts: endowment grants totaling \$2.0 million and accomplishment grants totaling \$50 million. The endowment grants, made to all of the 630 participating colleges, stipulated that the funds were to be invested, that for 10 years only the investment income was to be used, and that the income was to be applied solely to faculty salaries. Accomplishment grants were added to the endowment grants received by 126 of the colleges and universities in recognition of special efforts they had already made to improve the status and compensation of their teachers. This report, midway in the 10-year period during which the bulk of the funds can be used only as endowment for faculty salaries, describes the setting of the program, the reaction of the recipients and the public, allocation of the grants by the recipients, and the effect of the program on problems of American higher education. (HS)

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Including the fiscal year 1961, the Foundation has given \$1.5 billion to some 4,850 institutions and organizations. Directly, or through other organizations, these funds have also financed about 23,000 individual fellowships. The recipients of Foundation grants have been located in all fifty states, the District of Columbia, and fifty-seven foreign countries. All but \$37 million of the total funds granted by the Foundation has been given since 1950, when the Foundation became a nationwide philanthropy. During the fifteen preceding years, it gave its funds largely to Michigan charitable and educational institutions.

About 90 per cent of the Foundation's grants have gone to institutions in the United States—principally colleges, universities, schools, and educational organizations.

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The Pay of Professors



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The Basis for Concern

In 1955, in the largest single action in American philanthropic history, the Ford Foundation appropriated \$260 million to help raise the salaries of teachers in American colleges and universities. The funds went to all 630 private, regionally-accredited, four-year colleges and universities and were paid in 1956 and 1957.

Known as the College Grants Program, the action amounted to 45 per cent of the funds the Foundation had given for all other purposes in the twenty years since its establishment in 1936. Unlike most Foundation grants, which are made to particular institutions or organizations for their individual capacity to help solve particular problems of importance to American society, it was directed to all institutions of a broad category.

The College Grants Program had two parts: *endowment grants* totaling \$210 million and *accomplishment grants* totaling \$50 million.

Endowment grants were made to all 630 participating colleges and universities. The grants stipulated that the funds were to be invested, that for ten years only the investment income (not the principal) was to be used, and that the income was to be applied solely to faculty salaries. After ten years, both principal and income could be used for any academic purpose.

Accomplishment grants were added to the endowment grants received by 126 of the colleges and universities in recognition of special efforts they had already made to improve the status and compensation of their teachers. The accomplishment

grants, principal as well as income, could be used immediately for either faculty salaries or other academic needs.

This report, midway in the ten-year period during which the bulk of the funds (\$210 million) can be used only as endowment for faculty salaries, describes the setting of the Program, the reaction of the recipients and the public, allocation of the grants by the recipients, and the effect of the Program on problems of American higher education.

The Mid-Century Crisis

The aim of the College Grants Program was to help focus national attention on the task of achieving an expanding corps of well-qualified college teachers. By engaging the concern of the public in the welfare (i.e., compensation) of higher education's central resource—its able teachers and scholars—the Program sought to heighten the awareness of American society of its crucial stake in the vitality of its colleges and universities.

By 1955, the postwar crisis that had overrun the schools was beginning a full-scale invasion of higher education. This crisis—born of an explosive rise in the school-age population—confronted the nation's colleges and universities with several new forces:

- A dramatic surge in the percentage of the school-age population completing high school and going on to college.
- An accelerating growth in the quantity and complexity of knowledge to be transmitted to the student to equip him for a world of rapid technological, social, and political change.
- Ever-intensified demands in nearly all fields for manpower educated at the college and university level.
- Finally, the task of teaching more things to more people was being vastly complicated by rising costs; in higher education costs had jumped over 30 per cent between 1950 and 1954.

The impact of these forces during the 1950s made it apparent that America had obligated its colleges and universities to a momentous educational task, but had failed to provide them

with adequate resources. The most immediate and worrisome problem was a growing scarcity of qualified teachers.

Enrollment in higher education had been climbing steadily for five straight years. By 1955, it stood at 2,721,000 and was expected to double in the next fifteen years. The full-time teaching staff was about 250,000 and would have to rise to about 390,000 to meet 1970 needs. To reach this figure would require—including replacements for teachers who would retire or leave—an addition to the nation's college-teaching corps of some 420,000 new teachers, or about 28,000 a year. But the annual output of Ph.D.s—the usual measure of a fully-qualified college teacher—had risen only to about 9,000 a year by 1955 (and to date has shown little appreciable increase). Since only around half of these had been entering academic careers, American higher education in 1955 could foresee yearly shortages of fully-qualified college teachers over five times greater than the normal supply.

An alternative would be to hire more teachers with less than the Ph.D. But the prospect of a gradually mounting percentage of the college-teaching corps without the doctorate threatened the quality of American higher education. It was clear that steps were required to recruit more of the nation's able young men and women for academic careers, to speed progress toward the doctorate, and to improve master's programs as a means of providing better prepared beginning teachers.

It was equally clear that the principal impediment to college teaching as a career was chronically low financial reward. Higher education could win a larger share of the nation's best talent only by adjusting its salaries to a more competitive position in the nation's professional market place. College teaching would have to be viewed in relation to other professions—medicine, law, engineering, business management—that were competing for the best people and that required comparable preparation. Through the College Grants Program, the Foundation sought to emphasize this fundamental issue of faculty salaries among college and university trustees, administrators,

alumni, corporate donors, and other friends and supporters of higher education throughout the country.

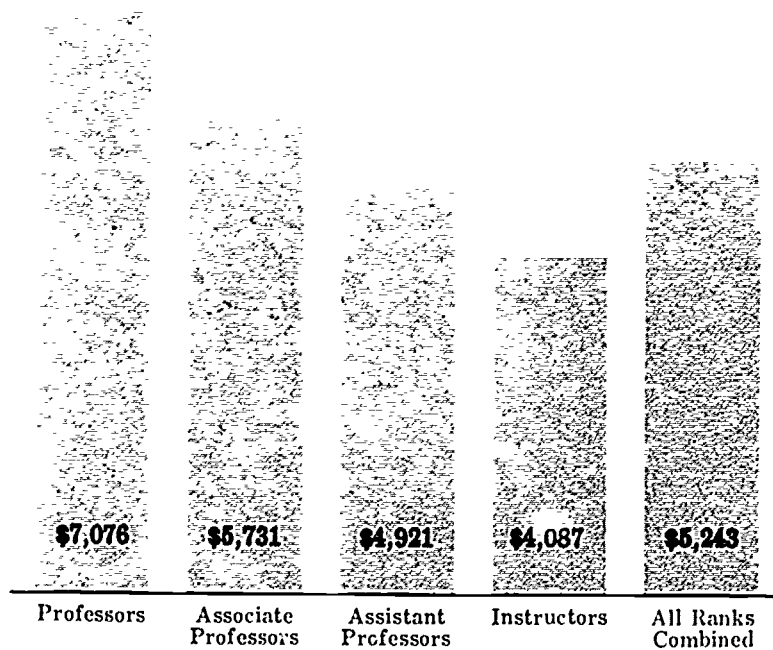
The Economic Limbo

In the mid-1950s physicians were earning an average of \$15,000 a year, but only 165 full professors out of a group of more than 20,000 surveyed in 1955 were receiving that much. The median salary for all ranks combined (instructor, assistant professor, associate professor, professor) was \$5,243. The

Figure One

MEDIAN SALARIES FOR NINE MONTHS OF FULL-TIME TEACHING 1955-56

All Colleges and Universities



medians ranged from \$4,087 for instructors to \$7,076 for professors. See Figure One, page 4.

It is worth noting, too, that for a beginning instructor to become a professor—that is, to rise from \$4,000 to \$7,000 in salary—usually required not only the Ph.D. degree but from ten to fifteen years of service.

Therefore, while the nation was enjoying one of its most prosperous decades, college teaching offered little financial inducement or reward as a career. In fact, economically, the profession had been losing ground for a long time. A study by Beardsley Ruml and Sidney G. Tickton showed that the salient fact in the history of faculty salaries in the first half of the twentieth century is that while all ranks received absolute increases over the decades, these apparent gains were stripped away by rising prices.

In 1904, the professor in large state universities received an average annual salary of \$2,000. This was equivalent to \$7,170 in 1953, which was, in fact, about the average salary that year. Except for instructors, whose modest incomes improved (in equivalent dollars, salaries in large state universities went from \$2,523 in 1904 to \$3,700 in 1953), real income for the rest of the academic hierarchy was virtually static for fifty years. In large universities, where salary scales were better than in other institutions, the 1904-1953 net changes in purchasing power of salaries received by all but the junior faculty were almost negligible: -2 per cent for professors, +6 per cent for associate professors, and +3 per cent for assistant professors.

Over the same period, in contrast, the purchasing power of many industrial employees more than doubled. The increase for railroad firemen, for instance, was 137 per cent, and in several other industrial categories increases were also over 100 per cent—in bituminous coal mining, 163 per cent; in automobile manufacturing, 140 per cent; and in electrical manufacturing, 131 per cent. While these increases, of course, reflect a significantly lower earning base at the start of the century than existed in the professions, they nevertheless ex-

emplify the strides that were made throughout the economy while the college teacher stood still.

Philanthropic foundations were not unmindful of the college teacher's economic welfare before the 1950s. Since 1905, the Carnegie Foundation for the Advancement of Teaching and the Carnegie Corporation have given over \$100 million for pensions and allowances to college teachers, including support to the Teachers Insurance and Annuity Association, founded in 1918 with help from the Corporation.

Beginning in 1919, the General Education Board, from a gift of \$50 million by John D. Rockefeller, made endowment grants to 240 colleges and universities specifically to raise faculty salaries. Matching conditions attached to these grants boosted the total of new faculty-salary endowment to approximately \$120 million.

Large as these benefactions were, the Board observed in its report for 1928-29: "A recent study . . . shows that while teachers' salaries have been increased since 1920 by 29.8 per cent, they have barely kept pace with the increased cost of living." And it is a sad commentary on the ability of colleges to raise capital funds for their teachers that out of the \$50 million Rockefeller gift to the Board, about \$10 million (including interest) eventually had to revert to the Board's general funds because colleges could not meet matching-fund requirements.

The Hidden Subsidy

What accounts for the paradox that in a competitive society the most learned manpower group should not have been able at least to maintain its relative economic status with other groups? One factor is the social and philosophic precept that colleges and universities exist to serve society. They are non-profit institutions; monetary gain is neither their incentive nor their goal. Colleges and universities have always supported this precept; indeed, they are its authors. Unfortunately, in the public mind, it fostered the image of the college teacher as an

unworldly being, devoted to learning and the young, content with the haven of his study, classroom, and campus—a benign, sacerdotal creature who found his reward in the pursuit and transmission of knowledge.

There is enough validity in this sentimental caricature to make it difficult to dispel. It might not have harmed the college teacher's welfare except that it nourished the fallacy that he is a person pleased to work for considerably less than members of other professions.

Academic salaries have also been depressed by the emerging social policy that higher education should be within the reach of every young person who can benefit by it. Not only have college teachers and their institutions advanced this policy, but they have also borne the burden of implementing it. For this policy has been implemented mainly by pricing tuitions at less than cost. Today virtually every college student in America receives this hidden subsidy from his institution. Ideally, it should be covered entirely by gifts (in the case of private institutions) and state or municipal appropriations (in the case of public institutions) sufficient to make up the deficit between the institution's tuition income and its operating costs, including adequate faculty salaries. In practice, the student subsidy has been paid for to a considerable extent by low faculty salaries.

Thus, in 1957, the President's Committee on Education Beyond the High School issued this admonition: "The plain fact is that the college teachers of the United States, through their inadequate salaries, are subsidizing the education of students, and in some cases the luxuries of their families, by an amount which is more than double the grand total of alumni gifts, corporate gifts, and endowment income of all colleges and universities combined. This is tantamount to the largest scholarship program in world history, but certainly not one calculated to advance education. Unless this condition is corrected forthwith the quality of American higher education will decline. No student and no institution can hope to escape the consequences."

Colleges in the 1950s faced the problem of financing an expanding educational establishment without raising tuitions to the point where they would become prohibitive to many families. But neither could they cover the difference between income and costs by exploiting the faculty.

"To restore teaching to a competitive position in the professional labor market comparable to that which it occupied before World War II," the President's Committee said in 1957, "would require an average increase in faculty salaries of something like 75 to 80 per cent. And to maintain this position, once restored, would probably require by 1970 an average rise of 100 to 125 per cent above present faculty salary levels."

On the basis of 1953-54 instructional costs, the President's Committee estimated that an academic salary structure approximately competitive with comparable professions would cost over \$800 million in additional annual payroll.

But this was not the colleges' problem alone. The need for qualified teachers had become so critical and the demand for higher education so widespread that the problem belonged to society at large.

There seemed little question that the nation could afford to meet this large annual deficit in educational investment. In 1953-54, for instance, the income of higher education was only six-tenths of one per cent of the gross national product. The real question was how to generate the broadly-based public understanding and support that would yield funds sufficient to reward and recruit faculties for a college and university system of the size and quality the nation needed.

This was the context in which the Ford Foundation's College Grants Program was launched. It focused on private institutions because their resources were more limited than those of tax-supported institutions, but its broad aim was to strengthen faculty salaries at all colleges and universities.

Although income from the grants was expected to provide from \$10 to \$12 million annually for the faculties of the 630 recipients, the Foundation hoped that its Program could make

a considerably greater long-run difference. Therefore, it sought to give its funds in a manner that would heighten public concern and challenge college and university trustees, alumni, and others to produce new faculty-salary funds many times the size of the Foundation grants.

The design of a strategy for thus serving as a catalyst to nationwide action occupied the Foundation's trustees and staff for many months.

Formulation of the Program

Originally the College Grants Program was conceived as a selective demonstration program for between fifty and 100 colleges and universities located in different parts of the country and chosen on the basis of significant improvement since World War II in the economic status and quality of their teaching staffs. The Foundation hoped that by adding momentum to efforts already underway it would enable these colleges and universities to achieve salary levels that might set the pace for other institutions in their regions.

The grants were to be endowment grants, and the fulcrum and lever with which they would lift faculty salaries were the conditions that they be used only for this purpose and that they be matched in ratios of up to three dollars for every dollar received, depending upon each institution's fund-raising potential. The matching funds would not have to be capitalized as endowment but, like the income from grants, would have to be used to increase teaching salaries.

On March 7, 1955, the Foundation announced a \$50 million appropriation for this program and said that it expected to complete disbursement of the funds by the end of 1957. A special advisory committee of educators and industrial, business, and civic leaders headed by Devereux C. Josephs, chairman of the board of the New York Life Insurance Company,

was appointed to recommend selection of the recipients.* William McPeak, a vice president of the Foundation, had staff responsibility for the development and operation of the Program. Questionnaires requesting operating and financial data were submitted to the nation's private colleges and universities. The replies were analyzed with particular reference to the accomplishment of each institution in increasing its teachers' salaries and benefits over the period 1948-1954.

Meanwhile, an event was in the offing that was to have far-reaching effects on the Foundation's financial flexibility and its grant-making potential. Negotiations were being completed on a plan enabling the Foundation to undertake a long-range program to diversify its assets. Except for a small amount of cash and Government bonds, the Foundation's capital consisted wholly of nonvoting Class A shares in the Ford Motor Company, received through gifts and bequests from Henry and Edsel Ford. The plan permitted the Foundation to reduce these holdings by converting them into common stock for public sale, and to balance its portfolio with investments in other securities. The plan also enabled the Foundation to finance grant-making programs from its capital funds.

The trustees decided that part (\$210 million) of the proceeds anticipated from the initial disposition of the Class A stock should be used to expand the College Grants Program. The Foundation received \$642.6 million from the first public sale of stock, 10.2 million shares, in January, 1956.

In a major shift from the initial strategy and dimensions of the Program, the Foundation decided to grant the additional \$210 million to all the nation's privately-supported, regionally

*Other members and their affiliations at the time were: Raymond B. Allen, Chancellor, University of California (Los Angeles); William M. Allen, President, Boeing Airplane Co.; James B. Black, President, Pacific Gas and Electric Co.; Malcolm H. Bryan, President, Federal Reserve Bank of Atlanta; Victor L. Butterfield, President, Wesleyan University; the Rev. Robert I. Gannon, S.J., Rector, St. Ignatius Loyola Church, New York; Mrs. John G. Lee, President, League of Women Voters of the United States; Robert A. Lovett, Brown Brothers Harriman and Co.; John D. Millett, President, Miami University (Ohio); James L. Morrill, President, University of Minnesota; Edgar B. Stern, Chairman, WDSU Broadcasting Services, New Orleans; Logan Wilson, President, University of Texas.

accredited, four-year colleges and universities. Instead of a selective effort to demonstrate improved standards of faculty pay, the Program would now enlist all institutions in a broad category. The 630 colleges and universities that eventually participated represented about half the institutions awarding baccalaureate degrees in the United States.

Grants under the expanded Program were to be endowment grants, and, as noted earlier, income would be restricted for ten years to improving faculty salaries. After that period, both principal and income could be used for any academic purpose. The amount of each grant would be approximately equal to the instructional payroll of each institution for the academic year, 1954-55.*

The expanded Program did not discard the principle of selective assistance to institutions that had already made significant progress in advancing teachers' pay. The \$50 million appropriation earmarked for their benefit was retained. The efforts of institutions in this category were recognized by separate grants—accomplishment grants—in addition to the endowment grants. The amount of an institution's accomplishment grant was about half as much as its endowment grant.

After careful analysis of the questionnaires, the advisory committee recommended 126 of the 630 colleges and universities to receive accomplishment grants. Because many of these institutions had deferred action on other important needs in favor of salary increases, the Foundation permitted them to use the funds immediately for any academic purpose.

Unlike the original plan, no part of the final College Grants Program — neither the endowment nor the accomplishment grants — was qualified with matching conditions. Attaching such a requirement to a program that now included hundreds

*Denominational institutions whose faculties included nonsalaried teachers (most of them members of religious orders) received grants that included an amount roughly equivalent to the value of the contributed services. The grants could be used for advancing the professional competence of these teachers through fellowships, released time, and other opportunities for study and research, or for increasing the salaries of lay teachers.

of colleges and universities would have sparked the simultaneous launching of innumerable fund-raising campaigns. The aim of the Program was not to generate a race among competing colleges for matching dollars, but to enlarge the base of regular financial support upon which each could draw. The Foundation hoped that the sweep of the Program itself, as revised and expanded, would produce a significant multiplier effect in terms of increased giving to American higher education.

The \$260 million College Grants Program was approved by the trustees during their two-day quarterly meeting ending Friday, December 9, 1955. Two other large-scale appropriations were also approved: \$200 million to help some 3,400 voluntary, nonprofit hospitals improve and expand their services, and \$90 million to help the nation's forty-five privately-supported medical schools strengthen their instruction.

Over the week end, telegrams were dispatched to colleges, universities, hospitals, and medical schools throughout the country, advising them that they had been recommended for grants from these funds.

The Foundation announced the grants to the press Monday evening, December 12. Amplified by a flood of local announcements the following day, the news received major coverage in the local and national press and became one of the leading domestic stories of the year.

Giving, Reception, and Effects

Ironically, the news and editorial commentary that hailed the College Grants Program led to an initial misconception that the pressing financial needs of American higher education had been largely met overnight.

Some college presidents began to worry that alumni and other supporters, believing that Foundation dollars had virtually solved their institutions' financial problems, would be less responsive to future solicitations. Several presidents were quick to stress that the grants would have only a modest effect on operating needs and were actually made as an incentive to further giving. The Foundation also sought to forestall the adverse results misconceptions of the Program might have on college and university fund-raising. In February, H. Rowan Gaither, then president of the Foundation, emphasized in a major speech that the grants "meet only a small fraction of the need, and they are intended to stimulate, rather than discourage, greater support."

The concept of the grants as challenge funds soon took hold. Subsequent evidence indicated substantial realization of the Foundation's hope that the Program would strengthen the financial base of American higher education. Of the 622 recipients answering a Foundation questionnaire during the third year of the Program, 50 per cent reported grant-related support from trustees or church boards, 54 per cent reported greater support attributable to the grants from alumni and parents, and 62 per cent said the grants had increased support from sources outside their institutions.

The enthusiasm with which college and university faculty members greeted the Program was tempered here and there by disappointment. Some teachers misconstrued the intent of the Program, thinking that the entire amount of the grant, rather than the income, would be immediately applied to raises. And there were others who, with the \$260 million figure sharply in mind, were disillusioned to find that the amount that actually came to them made such a little difference in their pay checks. For on the average the grants increased the amount each institution had available for faculty salaries by only 4 to 5 per cent.

But there is no question that the Program exerted a powerful influence on campuses throughout the nation in making salaries a paramount operational concern. And this, in turn, brightened the outlook of many teachers. The head of a college in Connecticut said: "The grimness which had become the settled form of . . . faculty expression gave way to a tentative kind of joy, which finally became a genuine pleasure on discovering that the grants were real and that someone had finally decided to do something about an on-going problem."

In reporting on the effects of the grants, the most frequently stated opinion of college administrators was that the funds emphatically improved faculty morale. This effect was augmented as the governing boards and administrators of many institutions began to treat the faculty-salary problem as a long-term rather than an emergency concern. At one small institution, for instance, faculty members were not only given raises in excess of the amount provided by the Foundation's grant but were told: "It is the purpose of the Board of Directors to increase salaries regularly during the next five years at the higher rate that was adopted in 1957."

Size of the Grants

The grant-making formula set \$5 million as the maximum amount any one institution could receive. Otherwise, a disproportionate amount of the total would have gone to some of the

large university centers eligible for both the endowment and accomplishment payments. Five institutions—Columbia, Harvard, New York, and Yale Universities and the University of Chicago—received the top limit.

The smallest grant—a \$6,500 endowment grant—went to the General Assembly's Training School for Lay Workers, in Richmond, Virginia, a Presbyterian college that prepares lay persons for full-time vocations as church workers. Its grant was based on the proportion of faculty time devoted to baccalaureate instruction in the liberal arts and sciences. The funds went to institutions of all sizes, 84 per cent of which had faculties of less than 100.

In institutions that received only endowment grants, the highest amount was \$2,783,500. For those that received both endowment and accomplishment grants, the endowment portion ranged from \$73,500 to \$4,222,500. The smallest accomplishment grant was \$45,500 and the largest \$1,898,500. A few institutions would have received larger accomplishment grants than they did, were it not for the \$5 million ceiling on the combined total of both types of grants to any one institution.

The mean amount that went to the 504 colleges and universities that received only endowment grants was about \$240,000. For the 126 others that received both endowment grants and accomplishment grants, the mean endowment portion was \$694,000 and the accomplishment portion, \$390,000. It should be noted that prior efforts of these institutions to achieve higher pay-scales were actually rewarded under the endowment formula as well as under the accomplishment principle, since their endowment grants were made on the same basis as endowment payments to all other recipients—that is, instructional payroll.

Figure Two (opposite) illustrates the grant distribution by amount. As shown in column 1, about three-fifths (62 per cent) of the grants were under \$250,000, and about a tenth were over \$1 million. Most of the larger amounts went to institutions receiving both endowment and accomplishment payments. (See columns 3, 4, and 5). But, as column 4 indicates,

accomplishment grants were fairly evenly distributed among the 126 participants, with over half being under \$250,000 and another fifth, between \$250,000 and \$500,000.

Figure Two

**DISTRIBUTION OF AMOUNTS AMONG
CATEGORIES OF SIZE OF GRANTS**

Size of Grants	All Institutions	Endowment Grantees Only	Accomplishment Grantees		Total Received (\$138 million)
	(\$260 million)	(\$122 million)	Endowment Portion (\$88 million)	Accomplishment Portion (\$50 million)	
Under \$250,000	62%	77%	28%	55%	11%
\$250,000-\$499,999	18	15	36	20	30
\$500,000-\$749,999	7	3	12	8	19
\$750,000-\$999,999	4	2	5	7	9
\$1,000,000 to \$5,000,000 limit	9	3	19	10	31
All Sizes	100%	100%	100%	100%	100%
Number of Grantees	630	504			126

The size of the grants was, of course, partly determined by the faculty size of the institutions, since amounts were based on instructional payroll. The 9 per cent of the 630 institutions that fall into the largest grant-size category shown in Figure Two represent a substantial proportion of the 47,000 teachers covered by the program—29 per cent.

The Pattern of Use

Throughout the planning and operation of the College Grants Program, the Foundation sought to avoid interference with established local patterns of administration and financial management, except to encourage a realignment in the direction of improved salaries. Each of the participating institutions

worked out its own plans for investing its grant and allocating the income among its teaching staff.

The over-all 4 to 5 per cent increase available from the grants meant different things to different teachers, depending on an institution's plans in allocating the funds. Some faculty members received little or nothing, and others received raises of as much as 50 per cent. Amounts varied according to the degree of selectivity adopted.

Among 622 institutions responding to a Foundation inquiry on the uses of the \$210 million endowment payments, only 7 per cent said they had shown no selectivity in making raises and had applied the grant income across-the-board to all faculty members. At the other end of the scale, some 9 per cent were very selective and gave raises only in the upper ranks and only on the basis of individual merit. Most institutions were moderately-to-highly selective and took into account the rank, seniority, and present salary of their individual teachers. Particular attention was given to the upper ranks where raises had been few and small over the years, since most increases had tended to go to the younger staff, who, under the economic hardships of the profession, were more likely to choose other careers. Administrators also believed that raising attainable salary levels would create a more attractive promotional ladder for the younger teacher.

Figure Three (opposite) classifies the methods and degree of selectivity in the use of endowment-grant income and shows their relative frequency.

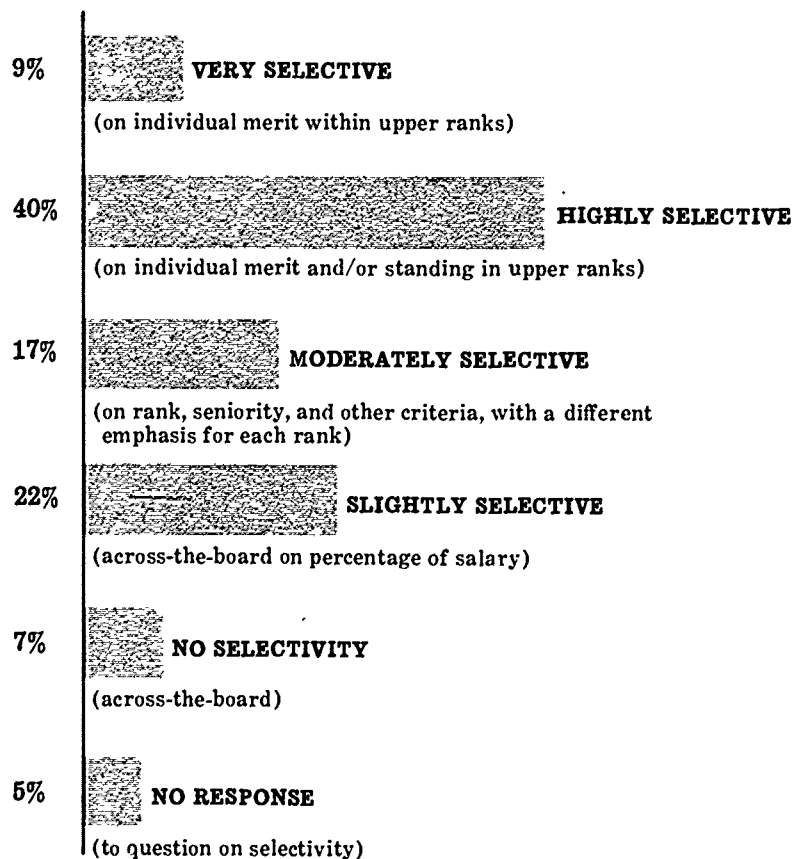
In investing their grants, most recipients incorporated the funds into their existing endowment-fund portfolios and purchased securities—government or corporate bonds and notes, or corporate stocks—that were in line with their individual investment policies. Special accounting procedures were usually established to keep tabs on the performance of the investment of the grant funds. Some institutions set up separate portfolios for the grant investments.

A few colleges and universities invested all or a sizeable part

Figure Three

HOW RECIPIENTS APPLIED GRANTS

Method and degree of selectivity



of their grants in mortgages on faculty homes, thus making their grants do double duty for the benefit of their teachers.

Although the annual amounts yielded by the grants were not great, in many cases the endowments made a considerable dif-

ference to the recipients' long-term financial stability. An independent study of sixty representative colleges showed that the College Grants Program accounted for from one-fifth to one-third of the total increase in their endowment between 1953 and 1957.*

Even though the terms of the accomplishment grants permitted use for any academic purpose, more than four-fifths of the 126 accomplishment-grant recipients used their funds for salaries. And though the Foundation permitted immediate use of principal as well as income, the great majority of these institutions invested their accomplishment grants to produce income earmarked for their teachers; about a tenth decided to spend the principal for salary increases. The other main use of accomplishment grants was construction or improvement of facilities—classroom buildings, dormitories, and libraries, for instance. A few recipients used part of their grants for such other purposes as books, laboratory equipment, further scholarly training for their faculty, and additional faculty.

Criticism of the Grants

Most of the reservations about the College Grants Program concerned the Foundation's formula. First, there was criticism for exclusion of certain categories of faculty in calculating the 1954-55 instructional payroll that served as the basis for the grants.

Although, on the undergraduate level, salary costs for instruction for a wide range of baccalaureate majors besides the liberal arts and sciences were included (for example, education, agriculture, engineering, business, and fine arts), teacher salaries for certain technical-vocational subjects like nursing, pharmacy, optometry, and physical therapy were not eligible for the calculations. Inclusion of these subjects in computing salary costs would have raised the question of support to nu-

**The Sixty-College Study, a Second Look*, National Federation of College and University Business Officers Associations, 1960.

merous colleges of pharmacy or optometry and other institutions far outside the main liberal-arts emphasis of the program.

On the graduate level, the salary costs in the liberal arts and sciences applied to the grant calculations, but salary costs of such professional courses as engineering, law, and medicine did not.

The same conditions — graduate and undergraduate — figured in the computation of the accomplishment grants, except that institutes of technology were not included in this series since the controlling aim of the original accomplishment-grant appropriation (\$50 million) was to strengthen education in the liberal arts and sciences and did not cover professional training.

On the whole, the criticism evoked by the exclusion of the several professional and subprofessional categories was friendly. "We fully realize that the Foundation could not be all things to all people," was the way the president of a large Eastern university qualified his belief that law-school faculties should have been counted in the grant-making arithmetic.

And, the Foundation's formula was of course governed partly by the fact that while large, the Program's funds were not unlimited. Inclusion of the salary costs of a wide variety of technical and professional subjects, the Foundation believed, would have seriously diluted the impact of the Program. Furthermore, including such costs would have given larger universities, with their extensive graduate programs, an even greater share of the available funds than they were to receive. By focusing the grants on the liberal arts and sciences and counting such undergraduate curricula as education, engineering, and business, the Foundation's formula was comprehensive enough to include almost all undergraduate salary costs and a large portion of graduate-school salary costs.

The unhappiest class of recipients were engineering institutions. They took exception to the liberal-arts and sciences emphasis in the calculation of the graduate-payroll part of the endowment-grant formula. Also, those with outstanding fac-

ulty-salary records felt they should have shared in the accomplishment grants.

The grant-making formula was also criticized on the grounds that it did not allocate the money where it was needed most. Using the instructional payroll as a basis, according to this argument, meant that the smaller and poorer colleges—with consequently lower salary scales—would get less help relative to their needs than richer institutions, which already had more means to pay their teachers. The method of disbursement seemed to these critics even more unjust when the wealthier institutions also received accomplishment grants. "It appears that the dedicated faculty members who had been willing to devote their lives to the students of an institution which had been unable to effect marked salary increases were penalized," said one small-college president.

Keeping in mind the central objective of strengthening college teaching in the United States, the Foundation felt that its method for computing the grants provided the surest means, under the circumstances, of making a fair distribution of the appropriated funds. Once the policy of a broad, nationwide demonstration was adopted, covering hundreds of colleges and universities of all types—each with separate aims, characteristics, and needs—the Foundation was in no position to follow anything but some formula for which comparable, quantitative data were available. It did not wish, for example, to assume the role of a national rating agency and make grants on the basis of its judgment of such intangible factors as the dedication and sacrifice of faculty members at particular colleges and universities, relative to others.

All institutions, large and small, received the bulk of the funds on the same basis. Under the endowment formula, colleges and universities that were paying higher salaries than other institutions of the same size of course received proportionately more. The Foundation believed it would have been inequitable and illogical to have scaled down support to institutions that had demonstrated awareness and initiative in the

very effort the Program was trying to stimulate—higher faculty salaries.

In the accomplishment grants, where selective criteria were involved, the advisory committee's recommendations were based heavily on an objective analysis of the 1948-54 faculty-salary record of each of the nation's 630 private colleges and universities. Not only was the percentage of increase over the period considered, but also the ratio of the increase to increases in noninstructional expenditures. Two other factors obtained. One was the proportionate distribution of potential recipients by type (university or college; men's, women's, or coeducational); the other was geographic location—that is, the institution's role as a pace setter for improved levels of faculty compensation in its region.

In reporting on its selection procedures to the Foundation, the advisory committee said: "We did not attempt to compare the *caliber* of these many different colleges, their general excellence or reputation. Indeed, our study confirms the belief so widely held that variety of excellence is a healthy aspect of our entire system of higher education, whether publicly or privately supported. This variety cannot be readily reduced to mathematical comparisons or scores." The Foundation adopted without exception the list of colleges and universities recommended by the committee for accomplishment grants.

The Long-Term Results

According to opinions received from college and university presidents, the College Grants Program has helped strengthen American higher education in the following ways:

- It drew wide-scale attention to the critical relationship between adequate faculty salaries and the nation's ability to achieve a college-teaching corps of the size and excellence the United States needs.
- It encouraged many college trustees, administrators, and other decision-makers to review their salary policies and

schedules and undertake programs to provide increases on a regular basis.

- It helped colleges and universities raise funds from corporate and other private donors as well as their alumni. Although fewer than 10 per cent undertook campaigns solely for improving faculty salaries, the teacher's status did receive a new emphasis and a more understanding response among prospective donors. Before 1955, colleges had rarely cited the need for better teaching salaries as a prime fund-raising goal.

- It gave an important lift to educational quality in several ways.

First, it stressed the necessity of salary levels sufficiently competitive to attract and hold better people. (Over 16 per cent of the recipients singled this out as a principal benefit.)

Second, the grants themselves — especially when supplemented by college and university increases and by stated plans for continued raises—had a salutary effect on faculty morale.

Finally, some of the smaller institutions reported that the grants helped them achieve a higher rating with their regional accrediting agencies by enabling them to upgrade the scholarly level of their faculties through their improved ability to meet desired salary standards.

- It helped stimulate interest in college teaching as a career. It gave tangible promise to the potential scholar of a more encouraging financial future, and it drew attention to the academic profession as a significant and valued calling. According to the president of one college known for its high academic standards, the Program "broadened the field of better paid teaching and gave a tremendous lift to those of us who are trying to get more college youths interested in the teaching profession."

Faculty Pay Since the Grants

There is no way to assess the precise dollar impact of the College Grants Program on faculty compensation during the five years the grants have been in effect. Education in the 1950s, particularly since Sputnik, burst forth as a major national issue, and the performance of higher education has moved into the mainstream of national concern and action. One of the emerging themes has been the need to pay the price to prepare and hold first-class teachers and scholars. Although the Ford Foundation's College Grants Program was only one of many efforts to articulate this theme, it was, as a thoroughgoing, national effort, a significant factor in its emergence.

Concerning the actual improvement in the economic status of the nation's college-teaching corps, the facts show that while average salary levels are still inadequate, some encouraging gains have been made, particularly in the senior ranks. The median salary for all ranks in 1955 was about \$5,200. (See Figure One page 4.) In 1959-60, according to a recent National Education Association report, it was about \$6,700*. Full professors in 1955 earned a median of about \$7,100; this had risen to \$9,100 by 1959-60. (However, salary gains over the four-year period were trimmed by an 8 per cent decline in the purchasing power of the dollar.) Figures from the N.E.A. study in the chart on the following page provide an index to the recent salary picture in higher education.

**Salaries Paid and Salary Practices in Universities, Colleges, and Junior Colleges, 1959-60.*

Figure Four

**MEDIAN SALARIES AND UPPER AND
LOWER QUARTILES IN VARIOUS RANKS
(1959-60)**

Rank	Median	Upper (one-fourth at or above)	Lower (one-fourth at or below)
Full Professor	\$9,107	\$10,755	\$7,721
Associate Professor	\$7,332	\$8,206	\$6,439
Assistant Professor	\$6,231	\$6,889	\$5,589
Instructor	\$5,095	\$5,624	\$4,599

The figures show that some professors were being paid salaries within reach of earnings in other professional fields. Executive officials of large railroads, for example, earned average annual salaries of \$14,333. Although physicians earned \$22,100 and dentists \$15,000 on the average, a few professors had actually approached or were within this range. Five per cent of those tabulated had salaries of \$14,500 or better; 2.5 per cent were at or above \$16,000.

Outside the senior grade in the top-paying institutions, the recent picture has some gloomy shades. For instance, 5 per cent of the full professors earned less than \$6,000 and half of these less than \$5,000. In other ranks, only 10 per cent of the associate professors had reached \$9,000, while less than 2 per cent of the assistant professors had reached this figure and almost 10 per cent were at or below \$5,000. Although the \$5,095 median salary for instructors was an improvement over the \$4,100 median for 1955, it still meant that young scholars were entering the academic profession at an economic sacrifice relative to their counterparts in other professions. Engineers

with the Ph.D. degree, for example, could start at nearly \$10,000, and chemists at more than \$8,500.

Nevertheless, encouraging signs can be cited:

- The two-year gain (1957-58 to 1959-60) reported in the N.E.A. study. The increase in median salaries in all types of institutions was around 11 per cent. In teachers colleges and small private colleges, it was somewhat less, but in private universities it was 16.2 per cent and in large private colleges 14.2 per cent. (Municipal universities had higher median salaries over the period than all other types of institutions, which accounts for the modest increase of 1.7 per cent.)

- Continuation of this trend is indicated by an analysis of 246 institutions by the American Association of University Professors, which showed that the average salary increase from 1959-60 to 1960-61 was 5.7 per cent.*

- In the introductory chapter of a volume of fourteen case studies of representative public and private institutions, the Association for Higher Education concluded: "Evidently, efforts are being made to recruit adequate staff, and to hold experienced staff. What has happened is that the long-term estimates [of teacher shortages] are no longer regarded as theoretical, but as sober, possibly conservative statements of real problems. These factors are so universal in nature that we may be quite sure that increases have been occurring throughout the higher educational establishment."†

Some of the colleges and universities analyzed in the Association for Higher Education case studies have made significant progress in strengthening the economic status of their staffs. For example, Mount Holyoke has given raises of 8 per cent a year for the past six years. At Grinnell, salaries went up about 12 per cent in 1958-59 and another 10 per cent in 1959-60. At Stanford, professors' salaries rose 41 per cent in the last five years and instructors' 31 per cent.

**The Economic Status of the Profession*, 1960-61, AAUP Bulletin, June, 1961.

†*Compensation on the Campus*, Association for Higher Education, N.E.A., J. F. Wellemeier, ed. February, 1961.

Evidence of realistic efforts to improve salaries should be read against obstacles that make such gains hard to accomplish. The study of the four-year performance (1953-54 to 1957-58) of sixty colleges and universities referred to on page 20 showed that while expenditures rose by over a third, the proportion of available funds allocated to instruction remained about the same. In other words, budgets were bigger, but a bigger percentage did not go to the faculty. The study indicates that other needs—construction, maintenance, student services, and the like—continue to exert strong claims upon increases in an institution's income.

Available evidence supports the following tentative conclusions about faculty salaries during the first five years of the Ford Foundation's College Grants Program:

- The erosion in the economic status of the college teacher has been greatly reduced, if not entirely checked.
- In recent years, gains have been more encouraging than at any time during the postwar period.
- Some institutions of all sizes and in all parts of the country have made impressive improvements in faculty salaries.

Other Ford Foundation Efforts

A number of other Ford Foundation programs have been directed toward the same general goal as the College Grants Program—namely, to strengthen the quality of American higher education by encouraging more of the ablest young minds to enter the nation's academic ranks.

- Fellowships have been awarded, for example, in business administration, economics, engineering, the behavioral sciences, law, the humanities, international relations, and studies of such important foreign areas as Asia, Africa, the Near East, and Latin America. In these and other fields, directly or through other organizations, more than 17,000 individuals interested in college teaching have received fellowship support from the Foundation since 1950. With extensions and renewals, this assistance covers approximately 25,000 academic years of graduate study.

- Support has been given for three nationwide programs to identify and prepare outstanding young men and women for academic careers.

One was the Woodrow Wilson National Fellowship Foundation program, which received \$24.5 million in 1957. The grant financed 1,000 first-year graduate fellowships annually for five years, and provided funds to participating universities to help other graduate students, as well as Woodrow Wilson Fellows, beyond the first year.

The second nationwide college-teacher recruitment program was begun in 1960 and, to date, includes grants of \$4,784,000 to twenty-six universities. The recipients are conducting

experiments with two principal objectives: first, to strengthen the master's degree as a qualification for college teaching; second, to facilitate and reduce the time required for completion of basic work toward the doctorate.

The Foundation's third nationwide college-faculty recruitment effort is focused on engineering education. It is designed to reach engineering graduates who are highly motivated toward teaching but who, usually because of family responsibilities, require a higher level of support than conventional fellowship stipends. Grants totaling \$3,250,000 to forty universities and institutes of technology are financing a forgivable-loan program that enables qualified individual students to borrow up to \$10,000 over a three-year period to supplement fellowship and other funds. For each year the student serves full time on an engineering faculty after completing graduate study, a portion of his loan is forgiven. The rate of forgiveness permits a borrower to satisfy his total obligation in five years or less, depending upon the amount borrowed.

- Some efforts have been concerned directly with the relationship between the economic and financial health of colleges and universities and their capacity for excellence.

A \$5 million appropriation was made to enable the Teachers Insurance and Annuity Association to provide college teachers with insurance against extraordinary medical expenses and long-term disability. Also, the Foundation has supported studies and experiments on the organization and financial management of higher education. For instance, economists, educators, and educational administrators have participated in a series of research seminars to probe the intricate and little-explored economic vitals of higher education.* Their studies have included problems involving financial support, planning, and management, all of which affect the capacity of colleges and universities to improve teachers' salaries.

*Publications resulting from these seminars include: *Financing Higher Education 1960-70*, McGraw-Hill Book Company, 1959; *Higher Education in the United States*, *The Economic Problems*, Seymour E. Harris, ed., Harvard University Press, 1960.

• These problems and their specific relation to academic excellence are an intrinsic part of the long-term development programs being assisted at selected private colleges and universities under the Foundation's Special Program in Education, which was begun in 1960. Support provided through the Special Program is characterized by three principal features. First, the grants are designed to strengthen the college or university's total achievement—its academic standards, administrative effectiveness, and financial support. Second, the recipients are free to use their grants in any way they decide will best advance their long-range plans and goals. Finally, to help broaden the base of regular financial support from alumni, business and industry, and other donors, the Foundation asks that the grants be matched by other private funds. The Special Program has to date made grants of \$53.5 million to six universities and \$13.6 million to eight liberal-arts colleges. To receive the full amount of these grants, the colleges and universities must match them with funds raised from other private sources—\$132 million by the universities and \$33.2 million by the colleges. The Foundation expects to add other universities to the program from time to time, and, over the next two years, intends to expand support under the college portion of the program up to a total of \$100 million. To be eligible for consideration, a college must be a four-year, private, liberal-arts institution that is not a part of a university.

• A number of experiments assisted by the Foundation and the Fund for the Advancement of Education (established by the Foundation in 1951) have been concerned with ways to make better use of the time, learning, and skills of the nation's short supply of able college teachers. These experiments point to new administrative and teaching arrangements that seek to increase teachers' productivity. Teachers do not carry heavier loads under these arrangements, but their time and effort are deployed to the benefit of more students.

While the experiments have focused on improving educational quality, the resulting improvement in teacher produc-

tivity has important implications as a route to better salaries. Some authorities are convinced that only by instituting arrangements to make better use of the time and skills of instructional personnel can colleges and universities raise salaries to levels that are fully competitive in the professional labor market.*

While strengthened higher education is a national concern, colleges and universities have a fundamental responsibility. With regard to raising the quality and compensation of their faculties, recent studies and experiments indicate that the task depends heavily on the institutions' initiative in increasing administrative effectiveness and enlarging the base of financial support.

The College Grants Program specifically sought to challenge the trustees, administrators, alumni, and others responsible for the decisions that could make the difference in the kind of teachers that institutions of higher education could attract and hold. Compared to the many billions spent for instruction in higher education since 1956, the Foundation's \$260 million contribution through the College Grants Program was relatively small. But by focusing attention on the needs of the nation's college faculties, it went to the heart of American higher-educational enterprise. If the recent pulse-rate is a measure, the Program helped give it a stronger beat.

*This was a principal thesis in the report, *Memo to a College Trustee*, prepared by Beardsley Ruml and Donald H. Morrison for the Fund for the Advancement of Education in 1959 (McGraw-Hill Book Company).

PUBLICATIONS

The following publications are currently available without charge on request from the Ford Foundation, Office of Reports, 477 Madison Avenue, New York 22, N.Y.

THE FORD FOUNDATION ANNUAL REPORT

ABOUT THE FORD FOUNDATION: A brief account of the program activities of the Foundation.

THE APPRENTICE EXPERTS: Fellowship programs conducted or supported by the Foundation.

ARCHITECTS OF ORDER: An account of the International Legal Studies program.

ETV: A FORD FOUNDATION PICTORIAL REPORT: The development of educational television for teaching and for general audiences.

THE FORD FOUNDATION PROGRAM IN HUMANITIES AND THE ARTS: Objectives, methods, and initial grants.

METROPOLIS: Activities of the Urban and Regional program.

ROOTS OF CHANGE: The Ford Foundation program in India.

TEACHING BY TELEVISION: Experiments in instructional television.

TIME, TALENT, AND TEACHERS: Experiments in better utilization of school and college teachers.

THE WEALTH OF A NATION: A cross-section of activities in the Foundation's program in Economic Development and Administration.

STATE AND REGIONAL BOOKLETS: Summaries and listings of grants in each state. (Out of print: Hawaii, Indiana, Michigan, New York, Ohio, and West Virginia.)

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